The meeting was called to order at 9.10 a.m.

Agenda item 5: High-level segment (*continued*)

(c) Development Cooperation Forum (*continued*) (E/2016/65)

Session IV: "Monitoring and review of development cooperation in the 2030 Agenda: quality, effectiveness and impact for sustainable development"

1. **Ms. Mniki-Mangaliso** (Director, African Monitor), moderator, said that the 2030 Agenda for Sustainable Development implied a need for radical changes to development cooperation monitoring and review processes, since both the scope of development cooperation and the actors involved in it had changed. The principle of universality meant that mutual accountability was no longer merely desirable, but non-negotiable. Inclusion was another crucial principle. The pledge in the 2030 Agenda that no one would be left behind applied to every process, including monitoring and review. The new Agenda also reflected a shift towards a focus on outcomes.

2. **Mr. Gass** (Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs, Department of Economic and Social Affairs), delivering the keynote address, said that 58 developing countries had responded to the latest Development Cooperation Forum survey of progress in mutual accountability. The findings unsurprisingly showed that, while progress was being made towards mutual accountability and transparency, they remained critical hurdles on the path towards the new development cooperation model. In developing countries, national development cooperation policies were increasingly replacing the aid policies of the past; parliaments were playing a growing role in development cooperation; and national coordination processes were becoming more inclusive. The survey also indicated that political leadership was key to coordinating donors and development partners.

3. He would be interested to hear the views of panellists and other participants on what kind of information the Development Cooperation Forum needed in order to encourage further progress, as well as on how to make sure that policy coherence was part of the debate, that accountability shifted away from recipient-donor relationships and was directed more towards the people, and that development cooperation focused less on averages and more on leaving no one behind.

4. **Mr. Twesiime** (Assistant Commissioner, Development Assistance and Regional Cooperation Department, Ministry of Finance, Planning and Economic Development, Uganda), panellist, said that progress towards the Sustainable Development Goals could be measured most easily if country results frameworks were based on national development plans; his Government, for example, had succeeded in incorporating 76 per cent of the Sustainable Development Goals into its national development plan. Once a national development plan had been designed in such a way as to support implementation and monitoring of international development goals, including the Sustainable Development Goals, the next crucial step was to ensure that all public investments were aligned with the plan. Results frameworks must be comprehensive and include policy-, programme- and activity-level outcomes in order to bring every stakeholder on board and make progress at every level from the bottom up.

5. Monitoring and reporting frameworks should contain precise indicators for Governments, development partners, and private sector and civil society organizations, to enable progress to be measured at the policy, programme and activity levels. They should provide incentives and penalties to encourage all stakeholders to meet their responsibilities. Countries also needed adequate coordination, planning and management capacity so that their national development plans could actually be implemented. There was a need to reform development cooperation by moving from aid-based towards results-oriented programmes. Making sustainable development a reality required maturity, patience, understanding and hard work.

6. **Ms. Mniki-Mangaliso** (Director, African Monitor) asked what was hindering the shift towards the new development cooperation model.

7. **Mr. Twesiime** (Assistant Commissioner, Development Assistance and Regional Cooperation Department, Ministry of Finance, Planning and Economic Development, Uganda) said that the greatest hindrance was the traditional mindset of the international community. A new perspective was

needed in thinking about aid and development cooperation.

8. **Ms. Killen** (Deputy Director, Development Cooperation Directorate, Organization for Economic Cooperation and Development (OECD)), panellist, said that, in order for development cooperation to have an impact, a common understanding of results was required. The visions of development partners and Governments must be brought closer together and aligned to national development plans; the Sustainable Development Goals provided an opportunity to align results frameworks. However, it was not straightforward for Governments to align their national development priorities with global goals. OECD analysis showed that providers monitored and reported the results of their development cooperation, but in relation to their domestic political agendas; more needed to be done to better align their monitoring with country-level goals.

9. Preliminary findings from the second monitoring round of the Global Partnership for Effective Development Cooperation showed that progress had been made in strengthening and using country results frameworks, and that reliance on national frameworks was increasing. Sector planning tools were being used more to prioritize areas of joint work and the coordination of country programming was improving. However, country results frameworks were still often used only in planning and not at the implementation and monitoring stages. An OECD survey conducted in May 2016 indicated that donors were ready to align results to the Sustainable Development Goals.

10. In order to incentivize alignment of development cooperation with national development plans, open discussions of the interests of all stakeholders were needed, and mechanisms for mutual accountability must be established. Countries set their own domestic political priorities and relied on existing budgets for programming and monitoring, in line with the national ownership of development. Development partners must therefore use the national frameworks established, and partnerships should focus on commonalities.

11. With regard to the need for adequate capacity, it was important to strengthen parliaments, which could bring together different forms of development cooperation within a given budget, and to ensure accountability to taxpayers. As well as working with its Development Assistance Committee, OECD, jointly with the United Nations Development Programme, was also collaborating with the Global Partnership for Effective Development Cooperation to track providers' progress against effectiveness commitments.

12. With regard to modernizing official development assistance (ODA) in the context of the 2030 Agenda, OECD was fully committed to Sustainable Development Goal 10 on reducing inequality within and among countries. OECD members had not only undertaken to increase aid, but were also focusing on its quality and seeking to channel more highly concessional resources to the least developed countries. The new measure of total official support for sustainable development was a good basis for discussion on what needed to be achieved, and how to measure and report such support.

13. **Ms. Bayr** (Member of Parliament, Austria), panellist, said that, although the Austrian Parliament had tried to strengthen accountability, the Sustainable Development Goals were seen as successors to the Millennium Development Goals (MDGs) and were thus addressed from a narrow development cooperation perspective. However, the Sustainable Development Goals were much broader than the MDGs, encompassing work to combat poverty, close the gender pay gap and involve people with disabilities in the labour market, for instance. In order to achieve those Goals, silos needed to be broken down at the global and national levels. Rather than establishing another new committee on the Sustainable Development Goals, her Parliament needed either to build new structures or else learn how to use its old structures in a new way. It had conducted a survey to find out how other parliaments had changed their structures in order to address the Goals and hold Governments accountable. The results would be shared in due course.

14. The Austrian Parliament assessed the impact of all potential new legislation, including in relation to such areas as young people, the budget and the environment. She was currently working to broaden the scope of those assessments to include an analysis of the impact of new legislation on the 169 Sustainable Development Goal targets. If accepted, such analysis would raise awareness of the Goals among

parliamentarians and would strengthen policy coherence.

15. An inclusive national-level approach could support achievement of the Sustainable Development Goals. Members of parliament, with their capacity to hold Governments to account, as well as other stakeholders such as non-governmental organizations (NGOs), and the scientific community with its highly specialized know-how, should work together to generate synergies to monitor progress in achieving the Sustainable Development Goals at the local, national and possibly international levels. Lastly, parliamentarians could learn a lot from young people about development cooperation, and parliaments could provide an important space for openness and transparency; in that connection, the Austrian Parliament would soon be hosting a meeting to exchange ideas with students who had been studying sustainable development.

16. **Ms. Mniki-Mangaliso** (Director, African Monitor) asked what could be done to improve the accountability of development partners to their own citizens regarding the use and scope of development cooperation.

17. **Ms. Bayr** (Member of Parliament, Austria) said that there should be transparent, open dialogue between members of parliament and their constituencies. The work of the former was much easier if they knew that they were acting on behalf of people who shared their goals and interests.

18. **Mr. Chaturvedi** (Director General, Research and Information System for Developing Countries), panellist, said that it was important to keep in mind that, as the result of a bottom-up, multi-stakeholder process, the Sustainable Development Goals were the outcome of people's aspirations and ideas about development, representing a paradigmatic shift in terms of how sustainable development was viewed.

19. In accordance with the democratic process by which the Sustainable Development Goals had been drawn up, and in the same way that national Governments had been given room for manoeuvre in deciding which Goals to prioritize in their own countries, so Governments must also have the policy space to determine who would be responsible for monitoring and evaluation. However, international engagement would be vital in terms of resource mobilization, in the light of Goal 17 on revitalizing global partnerships. The same criteria should not be used to assess flows from different sources: for example, South-South and North-South cooperation must be assessed differently. National criteria for the assessment of flows should be respected; a "one-size-fits-all" approach to assessment and monitoring would not work. Multi-stakeholder partnerships should be given priority at the national level, but the United Nations, with its unique democratic composition and its experience in elaborating the Sustainable Development Goals, should be given due space to lead the monitoring and assessment process, in collaboration with civil society and parliamentarians, among others. The Inter-Parliamentary Union should raise awareness in that regard among its own member Governments.

20. **Ms. Mniki-Mangaliso** (Director, African Monitor) said that she would be interested to hear panellists' views on whether it was realistic for donors and development partners to align their frameworks with those of all their many partners. She wondered what the right balance was between national ownership and policy space, on the one hand, and universality for development partners, on the other.

21. **Ms. Arnez** (Adviser on Institutional and International Relations, Regional Government of Villamontes, Plurinational State of Bolivia), panellist, said that she represented the small, autonomous government of a region in the department of Tarija in the south of the country. The region's reserves of gas, which it exported to Brazil and Argentina, provided it with an independent source of revenue. The autonomous regional governments in the Plurinational State of Bolivia had aligned their programmes to meet the Sustainable Development Goals with the country's 2025 Bicentennial Patriotic Agenda. The Ministry of Planning was responsible for achievement of the Sustainable Development Goals, and implemented relevant programmes through departmental and subdepartmental governments, such as her own. Monitoring began at the subgovernmental level.

22. The Villamontes regional government was using the income it received from gas to develop programmes — for instance, on social housing, education and health — to meet the Sustainable

Development Goals. It provided support and health services throughout Villamontes, in both rural and urban areas, and had made many advances towards eradicating extreme poverty. Monitoring of programmes was overseen by the regional assembly of Villamontes, which was composed of eight elected members. Progress reports on development projects, indicating whether they were meeting the relevant quality standards and time frames, were submitted monthly or at the request of the Ministry of Planning.

23. The Villamontes regional government was new and did not yet have any development cooperation programmes in place. However, its allocations from the Bolivian Government and the direct tax on hydrocarbons (IDH) revenue it received enabled it to run a range of important programmes, especially in education, in support of the achievement of the Sustainable Development Goals. Using its IDH revenue, it had also established a rotating fund which operated like a small bank, providing minimal-interest loans to support poor farmers. Her government needed development cooperation, and especially technical assistance for the management and administration of resources.

24. **Mr. Gass** (Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs, Department of Economic and Social Affairs), responding to a question from the moderator, said that it was important to have a sound results framework at the local level, so that planning and local partnership alignment could occur. It was likewise essential to integrate the values underpinning the 2030 Agenda into the results frameworks, and not merely rely on quantitative indicators.

25. As the definition of total official support for sustainable development was changing, there was room for dialogue about the different kinds of funding that could support sustainable development. Likewise, the concept of sustainable development itself had been redefined in the last year by incorporating the principle of leaving no one behind. Such changes might imply that the definition of partnership should also be modified to reflect the existence of new participants and implementation systems.

26. Parliaments had a unique opportunity to address policy coherence, which was the biggest challenge facing the Sustainable Development Goals. It was important to avoid confusing prioritization with simplification, which might occur if the 169 specific Sustainable Development Goal targets were merely glossed over.

27. It was easy to forget that the national reviews provided by governments and regional authorities for the people were in fact one of the core instruments of the 2030 Agenda. Within the development cooperation framework, it was important to work towards understanding how national reviews were being produced, how inclusive they were and how they could be supported to drive implementation.

28. Lastly, while North-South and South-South cooperation should admittedly be assessed differently in some respects, it was also true that, if development cooperation was genuinely aligned with national priorities, national sustainable development plans were the guiding factor and the delivery of outcomes was the defining criterion, then the same quality criteria — for example, the principle of leaving no one behind, and ensuring local accountability and results on the ground — should surely apply to all forms of support.

29. **Ms. Casar** (Observer for Mexico) said that in addition to traditional ODA, different resources, including domestic resource mobilization, would be necessary to achieve the transformative 2030 Agenda through development cooperation. The Global Partnership for Effective Development Cooperation was a unique platform that facilitated inclusive, multisectoral sharing of experience to maximize the impact of international development cooperation. The Mexican Minister for Foreign Affairs was currently a Co-Chair of the Global Partnership, representing those countries that were both recipients and providers of development cooperation and helping to give a voice to middle-income countries. Mexico was currently working on a triangular cooperation water management project with Malawi and the Netherlands, and would prepare an ad hoc report to be presented at the second high-level meeting of the Global Partnership, in Nairobi.

30. **Mr. Massina** (Togo) said that international development cooperation must be aligned with national results frameworks; like many other States, Togo already had a centralized results framework that had been developed during the era of the MDGs. With the advent of the Sustainable Development Goals, it was

necessary to move to a new integrated results framework, which would require the help of development partners. Given the principles of inclusion and accountability contained in the new development agenda, the new results framework must be elaborated from the bottom up, with the involvement of local governments and the people. However, local governments did not currently have sufficient human resources and would therefore need considerable training and capacity-building assistance.

31. Synergies must be achieved between national and local monitoring and follow-up mechanisms, integrating local strategies at the national level; in that regard, both South-South and North-South cooperation would be helpful sources of inspiration. Statistics would be crucial to ensure complementarity between local and national data. Currently, it was difficult for States to understand what actions were under way locally and thus to measure effectiveness; capacity must be further developed in that area.

32. **Ms. Mniki-Mangaliso** (Director, African Monitor) asked whether there were lessons to be learned regarding universality and inclusivity in connection with the United Nations monitoring mechanism to review commitments made towards Africa's development.

33. **Mr. Hamam** (Director, Office of the Special Adviser on Africa) said that the 2030 Agenda emphasized the interlinkages between the high-level political forum on sustainable development and other follow-up and review mechanisms. In that regard, the United Nations monitoring mechanism to review commitments made towards Africa's development was a unique tool that could provide important input regarding the progress made towards the Sustainable Development Goals and their financing framework. The mechanism reviewed the commitments made towards Africa's development needs by both African countries and their development partners. As it was based on inclusiveness, mutual accountability and universality, its recommendations could enhance the effectiveness of development cooperation between African countries and their development partners in line with the objectives of the development cooperation framework.

34. The United Nations monitoring mechanism built upon existing civil society mechanisms such as the African Monitor. Working in collaboration with African and non-African regional and subregional organizations, as well as the Interdepartmental Task Force on African Affairs, it undertook surveys and broad regional consultations with various stakeholders, including Member States, think tanks, NGOs, academia, and the private sector. All such efforts must contribute to the effectiveness of development cooperation in tracking progress and identifying gaps in the implementation of the 2030 Agenda.

35. **Ms. Malonzo** (IBON International Foundation Inc.) said that the enabling principles for an effective, legitimate and people-centred results framework could be found in a rights-based approach that promoted human rights, gender equality, decent work, social justice and sustainability. Development cooperation should strengthen country systems, accountability mechanisms and capacity development to encourage meaningful participation by all stakeholders in development processes. National democratic ownership was necessary to engage civil society organizations. The policy influence of civil society organizations would be achieved not only by ensuring inclusive participation in consultations — which often remained episodic, occurring at the discretion of Governments — but also by creating structured, permanent forums for multi-stakeholder participation, especially forums that involved marginalized actors in advising and monitoring development results, indicators, plans and strategies.

36. It was likewise necessary to be inclusive in generating evidence, and be willing to receive and process various types of input from a wide variety of sources, not just quantitative ones. Qualitative data regarding the negative impact of development cooperation programmes must be accommodated and processed. Furthermore, the effectiveness of multi-stakeholder forums for dialogue was closely related to capacity development and the creation of an enabling environment for civil society organizations. Restrictions that affected the capacity of civil society organizations to express dissent and represent marginalized peoples presented serious challenges to the realization of democratic ownership.

37. **Mr. Remond** (Observer for the European Union) said that his delegation had consistently insisted on an inclusive, participatory and transparent process for

monitoring, review and follow-up. It was necessary to increase data collection, analysis and disaggregation, with a view to leaving no one behind. It was also crucial to break down silos not just between the Goals, but also between development actors. There was important complementarity between the Global Partnership for Effective Development Cooperation and the Development Cooperation Forum, which should be further emphasized.

38. Statistics were an instrument for accountability, but also held potential for mobilization, as seen in the important work done by OECD in reforming the definition of concessionality so that it reincentivized the provision of concessional financing to those countries that needed it most. Total official support for sustainable development was also an important aggregate to valorize broader development support beyond ODA.

39. **Ms. Killen** (Deputy Director, Development Cooperation Directorate of the Organization for Economic Cooperation and Development (OECD)) said that there were a range of incentives for better cooperation, including data, reporting, accountability and agreement on principles. It was important to have such conversations at the country level and to share experiences. Monitoring behaviour and setting the right incentives would never be just a technical exercise, as partnerships were constantly evolving.

40. It was necessary to use all resources available both to finance the Sustainable Development Goals and to ensure that efforts were maximized. Various forums, international partnerships, and national and regional processes should be used to continue dialogue and ensure accountability to citizens. The role of civil society was crucial to ensure that development cooperation efforts did not have unintended consequences.

41. The example presented by the panellist from the regional government of Villamontes, Plurinational State of Bolivia, showed how even in a country with a strong extractive industry, ample domestic resources and strong institutions for accountability, lessons could be learned from others in similar situations.

42. **Mr. Chaturvedi** (Director General, Research and Information System for Developing Countries) said that care was needed when interpreting the broader mandate that came from the 2030 Agenda; certain terms such as those relating to blending, alignment with national priorities and prioritization were confusing in terms of how to address issues of resource flows, management and results on the ground. Despite commitment to the 2030 Agenda, it was taking time for the global landscape to shift.

43. With regard to the issue of access to finance, technology and institutions, regrettably both information and institutional performances remained asymmetrical: the unfinished business of financing for development must be carried forward. Much greater concerted efforts by all stakeholders at the global level were needed to generate sufficient financing for development. Moreover, it was important not to gloss over the individuality of financial flows; North-South and South-South flows were based on different value systems and required different impact assessments. It was necessary to find points of convergence without abandoning the value system underpinning South-South cooperation. It was unrealistic to expect actors from the global South to sit down at a table led largely by actors from the North in forums such as the Global Partnership for Effective Development Cooperation; equal footing must be ensured for all actors. Self-motivated efforts by emerging economies were the way forward for development cooperation; it was essential to insist on the principle of common but differentiated responsibilities.

44. **Mr. De Santi** (Italy) said that the Global Partnership for Effective Development Cooperation was an important forum for all stakeholders to increase the effectiveness and quality of development cooperation. The second high-level meeting of the Global Partnership would be an important opportunity to share knowledge and lessons learned, as well as highlight innovative approaches to sustainable development and shape new partnerships.

45. At the national level, in 2014 Italy had begun an important reform process in line with the 2030 Agenda. In particular, it was now implementing a new development cooperation law that recognized the inclusive partnerships and coordination needed to increase the effectiveness and impact of development assistance. The law also established an innovative normative governance system, recognizing the value of

inclusive and systematic dialogue between policymakers and all other stakeholders.

46. His delegation would appreciate feedback on the importance of developing joint results frameworks, both globally and regionally. At the level of the European Union, work was being conducted to define a joint framework for development cooperation and assistance.

47. **Ms. Ghartey** (Ghana) said that the consultation process had whetted the appetites of ordinary people around the world, who now knew that they must be consulted in order to ensure a bottom-up approach to country results frameworks. It was necessary to move away from traditional top-down models where data and requirements were imposed by the central Government: a bottom-up approach to elaborating a results framework should start from the basis of citizen data.

48. She would be interested to know more about the role of open data in monitoring development cooperation and assistance. Without open data, it would be difficult to obtain data from development partners at the appropriately disaggregated country level.

49. **Mr. Motter** (Observer for the Inter-Parliamentary Union) said that there had been no discussion of what was the most important monitoring system for development cooperation in each country, namely, the budget process. While aid was immediately recognized to be a budget issue, the picture was now more complex. The budget and auditing process needed to involve also looking at the hidden liabilities associated with public and private partnerships, including the terms of loans that Governments took out from international financial institutions. Currently, half of the world's parliamentary bodies had little to no knowledge of those terms.

50. The world was currently engaged in a race to the bottom with regard to corporate taxation, hoping to attract companies by lowering the tax rate. However, there was insufficient discussion of that issue in the public domain or as part of the budget process. There were additionally vast differences among countries on how the budget process was conducted, in terms of representation, transparency and oversight. The Open Budget Survey conducted by the International Budget Partnership revealed the existence of such discrepancies, including in many developed countries. He wondered whether there was a universally agreed standard to govern the budget process, and if so, whether its application should be monitored in order to strengthen monitoring for development cooperation.

51. **Mr. Byereta** (Uganda) said that in most countries, civil society and other non-State actors spoke for the voiceless and ensured government accountability. While that meant that the relationship between civil society and Governments was unfortunately often acrimonious, it was necessary to learn how to move forward in partnership. He wondered how operations could be harmonized to ensure that the various actors could work together on the achievement of the 2030 Agenda. Accountability and transparency must apply to civil society organizations and non-State actors at the country level as well as to Governments.

52. **Ms. Bayr** (Member of Parliament, Austria) said that there was still insufficient capacity to involve parliamentarians in monitoring and review processes. More capacity should therefore be built at the national level, including through partnerships between parliaments; it could also be developed at a more institutional level, for example, through the establishment of a supreme court of audit, which would help parliamentarians to focus on budgeting. The existence of similar standards to govern all national budget processes would be helpful.

53. It was important to remember that accountability was multilayered. When the effects of development cooperation programmes were measured, they were often found to have both intended and unintended consequences. If they had unintended negative effects, both the people affected and the taxpayers who had funded the projects in partner countries deserved accountability.

54. Concern had been expressed about the highly technical nature of discussions on the 2030 Agenda. If transparency were to be seriously addressed, the language used must be translated into a more accessible format so that ordinary people could understand the importance of the Sustainable Development Goals in their own lives.

55. **Ms. Mniki-Mangaliso** (Director, African Monitor) asked what opportunities existed for real

partnerships between Governments and civil society with regard to monitoring processes.

56. **Ms. Zeballos Arnez** (Adviser on Institutional and International Relations, Regional Government of Villamontes, Plurinational State of Bolivia) said that within her regional government, the municipal level was mainly responsible for relationships with civil society. Groups called "juntas vecinales", bringing together civil society representatives from all neighbourhoods, presented requests for programmes through the municipal mayor and reached agreements with the municipal government, which worked in coordination with the regional government. The "juntas vecinales" also exercised oversight over the municipal mayor and government through a process known as social control.

57. **Ms. Mniki-Mangaliso** (Director, African Monitor) asked whether it was viable to combine joint results frameworks and a bottom-up approach.

58. **Mr. Twesiime** (Assistant Commissioner, Development Assistance and Regional Cooperation Department, Ministry of Finance, Planning and Economic Development, Uganda) said that it was important not to lose focus when working at the grassroots level. All partners must first and foremost agree to align their priorities on the basis of national development plans encompassing all international obligations. If there was a divergence at that level, no joint framework would be possible.

59. It was impossible to monitor the implementation of national plans without looking at data from all levels, including the planning, programming, service and activity levels. Those positioned at the local level would inevitably have a better understanding of what was needed locally.

60. **Ms. Mniki-Mangaliso** (Director, African Monitor) asked what might be the role of open data in that regard.

61. **Mr. Gass** (Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs, Department of Economic and Social Affairs) said that bottom-up development plans must be informed by an inclusive process that recognized the important role of locally elected officials. For alignment with national and subnational priorities to work, data must be open and available, at the subnational as well as the government level. According to the Sustainable Development Goals Report 2016, much data was still lacking, especially at the subnational and local levels. The biggest challenge would therefore be to build statistical data capacity at the local level in order to hold all local, national and global players accountable.

Session I: "Development cooperation by the private sector, other non-State actors and blended development cooperation"

62. **Ms. Gerger** (Chief Executive Officer, Swedish Leadership for Sustainable Development), delivering the keynote address, said that cooperation between the private sector and development organizations was essential to the achievement of the Sustainable Development Goals. The aims of sustainable development and of business went hand in hand: sustainable innovation by business made employees proud, satisfied customers, benefited the environment and society, brought returns to owners and investors and helped companies comply with regulatory frameworks.

63. Swedish Leadership for Sustainable Development, a network of 22 textile, transport, information and communications technology, furniture, food and beverage companies, had taken the lead in establishing action- and results-oriented cooperation initiatives with organizations. It had issued a joint declaration with a view to reducing the negative environmental impact of its members' activities, optimizing resource use, establishing good working conditions, fighting corruption and working towards good business ethics and equality, in accordance with the Sustainable Development Goals. Members of the network attended frequent round-table meetings at which they exchanged ideas and discussed cooperation with organizations from many sectors and geographical areas. They had established 10 action programmes, produced declarations and papers, and participated in such high-level forums as the annual meetings of the World Economic Forum in Davos, Switzerland. They had learned that they needed a profound understanding of each other to build trust and relationships before the full potential of cooperation could be reached; that seeking common ground on the basis of the Sustainable Development Goals was more productive than pursuing their individual agendas; and that respecting each other's diverse mandates and roles while taking into

account the 2030 Agenda was essential. The Sweden Textile Water Initiative, a public-private development partnership that brought together 20 Swedish textile businesses and the Stockholm International Water Institute, had in two years significantly reduced energy, chemical and water use throughout the global value chain.

64. The Swedish Government aimed to report to the community at large on the progress of the 52 State-owned enterprises in achieving ambitious goals, including in the area of sustainability. Systembolaget, the State-owned company that sold alcoholic beverages, had taken initiatives aligned with the Sustainable Development Goals. Together with other Nordic State-owned enterprises, it had produced a code of conduct and follow-up programme for the promotion of dialogue, the training and development of farmers and producers around the world, and good practices. It had also set sustainable environmental targets based on consumer demand: 11 per cent of its sales were organic products, it had reduced its carbon footprint by using lightweight bottles, and it promoted fair trade brands.

65. **Mr. Martin** (Director, Development Finance International), moderator, said that the financing provided annually by foundations, civil society organizations, NGOs and corporate social responsibility initiatives through private development cooperation amounted to $50 billion. The amount provided through blended public and private development cooperation and private non-development cooperation was also significant, although estimates varied. An example of blended private and public development cooperation was the support provided by the Bill and Melinda Gates Foundation, together with many bilateral and multilateral donors, for the Global Fund to Fight AIDS, Tuberculosis and Malaria. Although private flows were often considered to be more important than public flows in such cooperation, they were in fact often associated with large net reflows or repayments; consequently, blended development cooperation would be an increasingly important source of financing in the future.

66. In two papers drafted for the Development Cooperation Forum, Development Finance International had found that most stakeholders measured the effectiveness of development cooperation on the basis of ownership, transparency, mutual accountability, partnerships, alignment, a focus on results, and financial oversight and anti-corruption issues. Private development cooperation would contribute to the achievement of the Sustainable Development Goals by addressing economic growth and development, poverty and inequality, essential service provision and public goods, gender, the establishment of peaceful and inclusive societies, jobs and decent work, environmental sustainability, climate change, and fair taxation.

67. **Mr. Gamboa** (Director, Colombian Presidential Agency for International Cooperation), panellist, said that Colombia planned to use the 2030 Agenda as a tool to implement the peace agreement that would soon be signed. To ensure that private sector involvement in development went beyond philanthropy and corporate social responsibility, the 2030 Agenda must be considered as a portfolio of investment opportunities for the private sector. To establish partnerships with business, a more innovative approach to blended development cooperation was needed. His Agency, which coordinated the international cooperation received by Colombia and the South-South and triangular cooperation provided by it, operated under the principles that partnerships were essential and that the public and private sectors and civil society must be involved in every project it designed. It used traditional international cooperation to derisk private investments in development projects while deconstructing the typical approach taken in such cooperation. It worked with such bodies as the United Nations Global Compact and the Global Reporting Initiative to establish and measure public-private partnerships. Its blended development cooperation initiatives included a social impact bond designed under the leadership of Instiglio and other financial sector bodies, with the participation of ODA partners to derisk the private sector investment. The bond would reduce unemployment in Colombia in line with the Sustainable Development Goals and would bring returns for investors, provided that sufficient donors were found. Through ODA, the Agency had also derisked investments by United States and Swedish private equity funds in isolated areas of Colombia; such investments would be essential following the signature of the peace agreement.

68. **Mr. Wennubst** (Assistant Director General, Global Cooperation, Swiss Agency for Development

Cooperation), panellist, said that development pressures were forcing industries to align their priorities with those of the societies in which they operated, a practice known as business diplomacy for sustainable development. However, companies and societies would change slowly unless a global crisis occurred. The 2030 Agenda was intended to transform such a crisis into an opportunity by rethinking approaches to the sustainable creation of value. The priorities of business leaders had already changed significantly; in the 1960s, for example, chemical companies had not treated their waste water, but in recent years they had started to invest in water management and to help producers to obtain land titles, activities which had previously been performed by development organizations. That change had resulted from the use of ODA to promote public-private partnerships through the granting of incentives to companies that adopted good practices early, followed by the provision of regulatory support to the public sector once those practices became the norm.

69. The future of ODA lay in helping companies practice business diplomacy, which had become more widespread and should be encouraged. The success of Swiss initiatives in the area had been evident at the July 2016 meeting of the high-level political forum on sustainable development, at which a representative of Swiss Sustainable Finance had criticized the Swiss Government's attempts to make itself fit for purpose to implement the 2030 Agenda. The ODA system should focus not only on obtaining more financing but also on using it effectively. United Nations support for regulation would be important in the future, since global risks could not be eliminated through national approaches alone. United Nations funds, programmes and agencies working in public-private partnerships should set standards to ensure that the risks associated with such partnerships were not too high.

70. **Mr. Finnigan** (Head, Development Organizations, Corporate and Investment Banking, Citi), panellist, said that development cooperation policy changes, capacity-building and financial cooperation were needed to achieve the Sustainable Development Goals. Since the adoption of the 2030 Agenda, financial cooperation had ceased to be limited to ODA and required an innovative approach. Of the $4.5 trillion needed annually to achieve the Sustainable Development Goals, only $1.5 trillion had been secured; the shortfall was equivalent to 3 per cent of global gross domestic product (GDP).

71. Blended financing was viable because donors and companies shared an interest in using development finance and philanthropic funds to catalyse private capital flows to emerging markets to improve social, economic and environmental development and provide risk-adjusted returns in line with market conditions. The combination of public philanthropic funds with private capital resulted in a multiplier effect. For example, one NGO client of Citi aimed to improve housing for low-income families by attracting investment rather than donations. The investors pledged their assets as a guarantee using a standby letter of credit. On the strength of the letters, Citi issued a guarantee to a development financial institution that allowed it to mobilize an average of nine times more financing than it could otherwise have done. The Grameen Foundation Growth Guarantee programme had used similar pledges to mobilize an average of four times more financing, enabled local currency lending that reduced foreign exchange risk, and reduced the perceived risks of lending to microfinance organizations. The private sector and local financial institutions and governments should be involved at an early stage in the design of blended financing initiatives. To ensure that those initiatives were scalable, they should be embedded in day-to-day operations rather than being carried out in a test bed or innovation laboratory. In addition, the pooling of assets helped to give scale to such programmes.

72. The Swedish International Development Cooperation Agency, the United States Agency for International Development, Citi and the Sumitomo Mitsui Banking Corporation had founded the Sustainable Development Investment Partnership, whose 25 members, including Governments, funding donors, commercial and financial institutions and institutional investors, provided guidance on structuring deals and sharing knowledge, information and best practices. The World Economic Forum and OECD provided the secretariat of the Partnership.

73. **Mr. Nizar** (President, Privatization and Corporatization Board, Ministry of Finance and Treasury, Maldives), panellist, said that innovative, diverse financial instruments and development cooperation were required to address the shortfall

facing developing countries and implement the 2030 Agenda. The Addis Ababa Action Agenda of the Third International Conference on Financing for Development reaffirmed the importance of ODA and recognized the financing shortfall and the contribution of all sources of development financing, including domestic resources, private investment and philanthropic flows. Although the sources of such financing now included banks, pension and sovereign wealth funds, insurance companies and foundations, access to funding aligned with national priorities was still a challenge. International public financing remained essential to such small island developing States as Maldives, whose small economies and limited resources made it difficult for them to obtain private financing for sustainable development. Public-private partnerships, however, were an important part of such financing, and had succeeded in such sectors as climate change management. In 2014, the World Bank had approved an International Development Association guarantee for the Accelerating Sustainable Private Investment in Renewable Energy project in Maldives. Over five years, between 20 and 30 MW would be generated through private-sector investments of $40 to $70 million in photovoltaic systems to reduce the country's dependence on diesel, which had given it a large carbon footprint and one of the highest power generation costs in South Asia. The solar energy generation potential of Maldives was immense, given its geographical location.

74. Nearly 80 per cent of Maldivian air traffic passed through Male International Airport, whose growth had not kept up with that of tourism because of a lack of land and financing. With the help of donor agencies and partners, his Government had established a successful partnership with the private sector to expand the airport as part of its strategy to liberalize air transport, improve competitiveness and boost GDP. It had played a similar facilitating role in the fisheries sector. In construction, the Government's role was to select the location of new buildings, set regulations and establish an enabling environment for private financing. Maldives had encountered problems in financing such infrastructure projects as harbours and water projects because it was perceived as a middle-income country with high per capita GDP.

75. **Ms. Lonsdale** (Policy and Engagement Adviser, Development Initiatives), panellist, said that research recently undertaken by her organization on the role of blended financing in the 2030 Agenda had revealed an absence of some essential data related to such financing, including how much of it was donated by official actors and how much in the form of ODA. As the main provider of technical support to the International Aid Transparency Initiative, Development Initiatives had learned that the success of multi-stakeholder partnerships required consultation among all members and an understanding of each actor's institutional strengths, values and comparative advantages.

76. Blended financing would not address all the investment challenges facing developing countries, since it mainly benefited middle-income countries. Only 11 per cent of it went to least developed countries, a rate comparable with the proportion of foreign direct investment those countries received. Consideration should be given to the ways in which blended financing could be incorporated into country-owned financing strategies.

77. Although the function of ODA in blended financing was often perceived as limited to the derisking of private investments, such assistance in fact included not only funding but also technical capacity-building and country-specific experience. It was worth examining how ODA could address the problems that deterred private investment in least developed countries.

78. **Mr. Joshi** (Managing Director, The B Team), panellist, said that 47 countries were currently experiencing conflicts, with an average length of 37 years, millions of young people were unemployed and thousands of children were dying from preventable causes. However, the Sustainable Development Goals Report 2016 gave cause for hope. Now that the international community had the technology, resources and political desire to leave no one behind, it must find ways of measuring progress in the implementation of the 2030 Agenda.

79. Although business had contributed to well-being through developments in science and technology, it had also increased inequality and, for some countries, financial risk. It must therefore now be mobilized to help solve the world's problems. Whereas in the implementation of the MDGs businesses had been encouraged to enter partnerships through philanthropy,

their greatest contribution to the achievement of the Sustainable Development Goals would be to make efforts to solve development problems and share their value fairly. They could also help channel funds currently spent on such areas as the military into poverty eradication and education. The public and private sectors and civil society all had a role to play in sustainable development. For example, the publication by companies of their beneficial ownership information encouraged Governments to establish registries of such information and thereby contributed to transparency. The introduction of open contracting in many countries ensured that companies competed to deliver the highest-quality infrastructure. Although business must be held accountable to Governments and civil society, the implementation of the 2030 Agenda was an opportunity to make discussions on development more collaborative and ensure that new voices were heard.

80. **Mr. Motter** (Observer for the Inter-Parliamentary Union) said that the current debate should be viewed not only from a technical but also from a political perspective. Bearing in mind that Governments found it difficult to maintain public-private partnerships owing to, inter alia, significant overheads and potentially high liabilities and opportunity costs, as well as the need to account for profit margins for the private sector entities involved, it was therefore necessary to question when Governments should seek public-private partnerships to provide essential infrastructure and services, and when such partnerships were purely a political choice. Should Governments perhaps only consider such partnerships after having explored other possibilities for raising funds, such as taxation, bond markets or other instruments?

81. **Mr. Martin** (Director, Development Finance International) said that public-private partnerships remained precarious for the private partners. Furthermore, public sector partners were often unprotected, and the costs and risks for those partners should be taken into account. There should also be discussions on increasing the involvement of small and medium-sized enterprises in public-private partnerships.

82. **Mr. Joshi** (Managing Director, The B Team) said that he agreed that it was critical to talk more about the involvement of small and medium-sized enterprises in public-private partnerships, since it was the middle level of the economy that was driving growth and employment creation. The production of goods and services would change dramatically over the next 15 years, whether through means such as three-dimensional printing, which would reduce prototyping costs, or as a result of the proliferation of fifth-generation Internet access, which would make it easier to access information.

83. With regard to actions to be taken, entrepreneurs should harness innovation to help solve existing problems in their communities. It was also necessary to increase their engagement in organizations such as the United Nations, while also finding new forums for discussion. To that end, The B Team was recruiting innovators from around the world, and Silicon Valley in particular, in critical areas such as nutrition.

84. **Mr. Gamboa** (Director, Colombian Presidential Agency for International Cooperation) said that, while the Colombian Government had already identified information relevant to over half of the Sustainable Development Goal indicators, it had found that much more information was available in the private sector. Most providers of such information were the owners or providers of various applications or programmes that could be used to identify needs or gaps relevant to achieving sustainability and other aspects of development. Similarly, the inclusion of additional actors, such as universities, in discussions on international development cooperation would allow new concepts and knowledge to be considered. The manner in which business was conducted could be altered through experience and the participation of as many actors as possible, which would also help to dismantle the current individualist approach.

85. **Mr. Wennubst** (Assistant Director General, Global Cooperation, Swiss Agency for Development Cooperation) said that over one hundred countries had asked for current international cooperation agreements to be reviewed, in a clear request for large corporations to collaborate more with small and regional businesses and thereby increase local employment. As some corporations had previously suspended their investments due to an inability to find sufficiently skilled employees, new technologies should be used to support countries in improving the vocational skills of the next generation to enter the workforce.

86. To that end, ODA had a role to play in creating an enabling environment and increasing capacity-building. Countries must find new ways of doing business, and situations in which a small percentage of the workforce accounted for a much larger proportion of exports or GDP should no longer be tolerated. Both political and technical assistance was required in that regard.

87. **Mr. Finnigan** (Head of Development Organizations, Corporate and Investment Banking, Citi) said that his organization had created a framework whereby a number of start-up companies and small or micro enterprises were invited to address a set of challenges relating to, for example, transparency and corruption. The participants with the best ideas would receive seed funding, resources, space or other incentives to participate with large public sector organizations.

88. **Mr. Nizar** (President, Privatization and Corporatization Board, Ministry of Finance and Treasury, Maldives) said that the Government of Maldives was working to develop small and medium-sized enterprises owned by young people, and providing small loans for young people. The Government had also decided to extend sovereign guarantees that would enable small and medium-sized enterprises to borrow funds on foreign markets.

89. **Ms. Lonsdale** (Policy and Engagement Adviser, Development Initiatives) said that the two objectives of blended finance were to generate a financial return and to enhance development outcomes, specifically in order to achieve long-term results for people on the ground. National Governments were the stakeholders with the greatest interest in the process. The principles of development effectiveness were a useful starting point for dialogue, given that transparency, among other concepts, was regarded differently in various institutional contexts and needed to be adapted in order to be workable. However, as many development finance institutions had begun to follow International Aid Transparency Initiative guidelines in publishing detailed data on projects being funded at the national level, the focus should now be on getting national Governments involved in using the data to achieve long-term as well as short-term results.

90. **Mr. Martin** (Director, Development Finance International) said that his organization had helped countries to decide on the most suitable forms of financing for their circumstances. Public-private partnerships were often not the most appropriate choice, unless specific expertise was required that could not be found outside the private sector. Ownership and leadership must also be taken into account, as it was illogical for an actor to intervene in a country's affairs in order to take actions in parallel with, or running counter to, government priorities.

91. With regard to the need for increased transparency, it had been found that much of the data requested by the International Aid Transparency Initiative was already produced internally by many organizations. Such financial and practical challenges could often be resolved through multilateral discussions.

92. **Mr. Byereta** (Uganda) said that, as development cooperation was based on trust, it was natural that citizens and Governments would want assurance that private development partners were trustworthy. He asked what moral authority or credibility major players in development could have, given the public knowledge of issues such as illicit financial flows, tax avoidance and the large-scale loss of resources. It was necessary to question whether the private sector was a reliable and trustworthy partner and how it was regulating itself, if at all.

93. **Mr. Ji Ping** (China Foundation for Peace and Development) said that it was important for the Chinese Government that civil society participated fully in achieving the 2030 Agenda. As China had increased its involvement in the international community, the number of NGOs in China had grown. In July 2016 representatives from hundreds of NGOs had participated in a Civil Society 20 meeting in China to discuss such subjects as poverty, innovation and green development. The outcome of the meeting had been a communiqué on those topics, which urged Governments to take fast and substantive action to implement the 2030 Agenda. Civil society must act as a communicator, supervisor and facilitator in that regard.

94. The Chinese Government supported the vital work of civil society in public affairs and economic and social development. Interaction between the Government and civil society groups was increasing. Civil society had been working throughout mainland

China to eliminate poverty. After 30 years of development, China had now also begun to provide development assistance to other countries and many Chinese NGOs had also become involved in foreign development aid projects. China Foundation for Peace and Development had launched a number of pro bono projects in various African and Asian countries, in areas including health care, education and vocational training, and had also arranged two workshops on the Sustainable Development Goals.

95. **Mr. Lanfranco** (International Trade Union Confederation) said that, while the private sector and trade unions both had a major role to play in achieving Sustainable Development Goal 8, the accountability of businesses in the private sector remained a concern, particularly when such businesses received public funding through ODA. There was also a discrepancy between the emphasis placed by donor policies on the private sector and the reality and needs of developing countries. Furthermore, private sector investments primarily targeted middle-income countries. It was important to ask how the contribution of private investments to the local economy could be maximized.

96. Some issues, such as the provision and protection of public services, could only be addressed through public finance. Research conducted by trade unions had shown that development finance institutions were often unsuited to managing aid flows in line with existing best practices as they were unable to measure the social and labour impact of development projects. They also lacked an appropriate system for guaranteeing the ownership of development projects by the Governments and stakeholders of developing countries. Moreover, the manner in which institutions operated could undermine international development goals; for example, some donors used development aid to further their own interests or those of national companies rather than to address the needs of people living in poverty. To that end, States must be the main guarantors of development and cooperation policies based on collective priorities. All development actors, including the private sector, should be accountable to the people in receipt of aid.

97. **Ms. LaRue** (Observer for the Dominican Republic) said that, since the private sector prioritized profit and its purposes were not always aligned with national development concerns, it would be useful to know more about business diplomacy for sustainable development and how it could help address that issue.

98. **Ms. Gerger** (Chief Executive Officer, Swedish Leadership for Sustainable Development) said that corruption and trust continued to be important issues for businesses. Governments and NGOs, among other actors, and required clear codes of conduct. In Sweden, those issues had been prioritized and would be addressed through cooperation between the Government and State-owned enterprises.

99. **Mr. Joshi** (Managing Director, The B Team) said that tax and development financing were closely linked and there must be an open and honest dialogue on strengthening the global tax system. In addition to poverty reduction strategies, innovative forms of taxation that would contribute to achieving the Sustainable Development Goals, such as carbon taxation or a tax on consumption, must also be considered.

100. Furthermore, discussions on business and tax should become less hostile and more open. There was a business case for companies to invest in countries where stronger taxation meant a better educated workforce, better infrastructure, and a healthier population. Work should be begun with OECD and other actors to examine how environmental practices and other processes could best be taken forward. Moreover, companies should follow the example of Unilever and begin to publish their tax principles and other relevant tax information.

101. With regard to labour, it was critical to establish ways for companies to reduce costs while improving the provision of services, ensuring that livelihoods were protected and upholding the rights of those in the hidden workforce. Governments could participate by examining concepts such as fiduciary duty and transforming the long-term behavioural attitudes of businesses so that they acted in the interests of society. Such initiatives as the establishment of benefit corporation statutes in the United States and community interest companies in the United Kingdom could help in that regard.

102. **Mr. Wennubst** (Assistant Director General, Global Cooperation, Swiss Agency for Development Cooperation) said that, in the case of a food trading company working in a successful public-private

partnership with a State to ensure land tenure access or land titles for smallholder farmers, an example of business diplomacy would for the company not only to participate in line with its own interests, but also to share its experiences in broader forums so as to help and improve the regulation of systems in the future.

103. Derisking did not relate solely to financial instruments. For example, high insurance costs owing to a lack of precise meteorological data could prevent smallholder farmers from benefiting from public-private cooperation. However, technological advances had now made it possible to acquire high-quality satellite images that could be examined by software companies in order to improve predictions of food production. Such activities, which were led by Governments, could decrease costs and risk for all parties, through broader cooperation between insurance companies and smallholder farmers. In addition, mobile payments systems could be used to reduce petty corruption. In the future, such practices could be shared through business diplomacy in order to further develop regulatory measures.

104. **Mr. Martin** (Director, Development Finance International) said that, although some good practices existed, development finance institutions experienced difficulties in assessing the impact of their policies on poverty, inequality, tax and labour, among other areas. Nonetheless, some Scandinavian development finance institutions had refused to blend their money with that of private sector companies unless those companies could prove that they were paying fair taxes and applying decent working standards. While some development finance institutions did not request tax exemptions on their projects, it was scandalous for potentially profitable private sector projects to request the same treatment as charitable aid projects. Although approaches varied widely, the best practices in the field should be emulated. Moreover, the private sector should be more involved in tax discussions. For instance, many major companies in the United Kingdom had agreed to have their accounts independently audited in order to prove that they were paying fair taxes. More generally, the claims of private sector entities needed to be independently validated by other stakeholders, including trade unions and affected communities.

The meeting rose at 1.00 p.m.